



HEBER CREEPER

P.O. BOX 69, HEBER CITY, UTAH, 84032

PHONE: (801) 654-2621

19 December 1973

MINUTES OF BOARD OF DIRECTORS MEETING
DECEMBER 13, 1973

Minutes of Directors Meeting of December 13, 1973, Office of Lowe Ashton
at 5:30 p.m.

Present: Lowe Ashton, Wes Budd, Del Wallengren, Jim Ritchie (short time),
Dr. R.R. Green (short time), Gordon Mendenhall, Dennis Spendlove
and Ed McLaughlin.

Copies of a management report (enclosed for those who missed) were distributed
and some explanation as to the figures to help the directors advise management
in the next board meeting.

Note change: On the page referring to receivables due and expenses due
that are not part of the statement: A check with Lagoon indicates they have
paid the majority of the labor we have under our "Lagoon Labor" classification.
We have not found where the accountants have applied this income. It should
have automatically been a Credit to Lagoon Wages Expense and a Debit to cash,
but so far we cannot find it. Until this is found, I feel we should reduce
the expected income in this classification to approximately \$1800.00 but
identify to income.

Inasmuch as we did not have an adequate number of directors at any one time,
no official action was taken. However, enough important points were brought
up I thought it necessary to report them and call another meeting as soon
as possible.

Jim Ritchie reported on the possibility of creating a Limited Partnership.
It does not appear that we can create an entity that would be attractive
to existing stockholders and take advantage of any book losses of the past
for the stockholders/directors. Therefore, the Limited Partnership does
not appear to be a way to solve our short term problems.

Lowe reported on the visit with Union Pacific Railroad, Mr. Durrant, Jim
Berry, and Rocky Rockwell, Public Relation of U.P., Salt Lake. Mr. Durrant
carries the title, General Manager, Union Pacific, Omaha. There is some
indication that he is also a Vice President although his business card does
not so indicate. He was born and raised in Echo, went to North Summit High
School, married a Blomquist, and was extremely familiar with our concept

having spent several days snooping around, even to the extent of going through our engine house. He was extremely cordial and expressed a great deal of interest in our statement that a line to Park City would make the entity very profitable. He agreed with several of our concepts and felt we could run on their trackage with little or no trouble. He instructed us to send a letter and a map and describe the concept in very broad terms. This has been done. He should have received the letter on about December 10th.

A short discussion of the wild dreams of public transportation studies and the use of Federal funds to build the lines to Park City and also to Provo (suggestions came from Mountainlands Association of Government who are currently funded to make a mass transit study of Utah County.) The general reaction was that "seeing is believing" and the chances of getting Federal funds for reconstruction of our line is probably a far fetched and at best a very long term possibility. Certainly nothing to hang our hats on for the immediate future.

Comments from Management on the need for \$50,000.00 in new capital. Brought up to show that we should not look for ways to solve only our immediate minimum cash problems, but to try and develop adequate seed capital to either get a public stock offering going or to continue to develop ways to present a good image to a prospective buyer.

Items covered included: Funds to get started for the coming season, funds for a feasibility study of the line from Heber to Park and the variety of concepts this allows us to develop.

Funds for a small public stock offering, designed specifically to develop the Park City Night Club Train. This could be done immediately, running the Heber Creeper concept in Heber Valley in the summer, the Park City Night Club in the Ski Season (option moving the train to Heber by house moving methods in summer or running on specific weekends in Park City in summer). This estimate runs from \$150,000 to \$175,000.00. The ability to spread our fixed expenses (and please analyze those expenses which are fixed) over a season as long as 280 days, would go a long way towards showing a profit picture. Short of a very deep depression for the Nation generally, the Creeper should be able to run on a positive cash flow basis this next season, but will never make real money until it has the capacity to run this much. The ability to refinance or to sell the company to competent moneyed interests will be based on the ability to show it can make a profit. It does no good to sell to marginal entities, because the current directors would not be relieved of their responsibility to pay for the contracted loan.

The most serious and immediate problem, that of the inability of the company to meet its current obligations, was discussed. But, as usual, there was no action suggested that would solve it. The feasibility of allowing various members to solicit outside funds and pay them a finders fee was discussed. Gordon Mendenhall led a discussion on the possibility of selling the company to another concern and the fact that we were given bad advice about whether or not to go public some time ago. (Bill Sweeney, of course, advised us to go public at a ratio of new investors to our current stockholders equity as per Mr. Al Covey's suggestions, some time ago. But the majority of the

directors, including the writer, felt we would be selling ourself too cheaply. However, the fact we have no money and cannot pay our bills, certainly indicates there was merit in Bill's recommendation). Since it is imperative we develop a method of financing on a short term basis and no one seems to be able to commit themselves or come up with an adequate plan, we must continue to hold Directors Meetings and I propose we do so on a semi-weekly basis until the problems are solved.

Here are the facts:

1. The lease (\$7600.00) is due and payable 10 days after December 31st. There is a possibility of procrastination or postponement, but each time we do this, we lose credibility. A note payment is due for \$2200.00, we have past due and unpaid bills in excess of \$2,000.00, plus we owe the writer for funds advanced to pay property taxes, etc.
2. There are about \$5400.00 to \$6700.00 due in receivables, but it is very difficult to press much harder for them than we are now doing.
3. You cannot run a company of this size with only volunteer and part time help. Someone must be employed full time and we should have one right now.
4. Some money must be spent to get the locomotives ready for next season. We may as well face liquidation now.
5. As officers and directors we are responsible to come up with a financial plan or to participate in dissolution and agree to assume that portion of the fixed indebtedness each has signed to do.

I suggest therefore that as President, I propose an agenda including a series of agenda motions and that if the directors cannot attend, they either submit a proxy supporting the agenda motions or submit in writing a negative vote with additional recommendations designed to help solve our immediate problems. Merely a no vote should not be accepted as we must rely on the directors to participate in the decision making.

LOWE ASHTON
President